

8 November 1954

7 Budget

## MEMORANDUM

SUBJECT: Estimated Costs of Construction and Equipment for the National Indications Center

1. The former estimate of costs for the construction of the National Indications Center (NIC) which totalled [redacted] for construction, equipment and communications plus a 15% contingency margin, was based on plans for construction of the NIC in the Mezzanine of the Pentagon at [redacted]. In this area, the space to be occupied by the NIC was already enclosed on three sides by permanent masonry walls and had a ceiling in place, albeit at an 8-foot height. The space measured 40x90 feet, providing a deep and compact area for the facilities of the NIC. Lights and air conditioning fixtures were in place and did not require relocation to accommodate the internal arrangement of the Center. Many outlets for phones and electricity were also in place.

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2. Because of inadequate cubic footage, owing to the 8-foot ceilings, and certain structural factors which prevented installation of additional air conditioning equipment, it was not possible for the NIC to occupy the Mezzanine area. The Department of the Army will make available space in the Basement of the Pentagon along Corridor 9 between B & D Rings. In preparation for the construction of the Center in this space, a cost estimate has been drawn up which exceeds the former estimated total of [redacted]. This cost estimate totals [redacted] for construction, equipment and communications. If a 15% contingency margin is added to this figure, as was done for the Mezzanine space, the total reaches [redacted] (See Tab A)

3. The increase in the total estimate for the Basement space, compared with that for the Mezzanine space, is due to a greatly increased cost of construction. The space in the Basement measures 20 by 150 feet and has a free ceiling at a 22-foot height. At present this area is enclosed by plasterboard partitions to a height of 12 feet, broken by many doors. Exterior walls to a length of 170 feet and to a height of 10 feet must be built on two sides; a fire wall encloses the other two sides. The existing partitions must be altered or relocated and sound proofed. A hung-ceiling must be constructed at 14 feet over the Situation Room and at 12 feet over the remainder of the space. Interior partitions must be constructed to a height of 12 feet and to a total of 134 feet in length. The ADT Security System, contemplated for the Mezzanine space, must be expanded in area to protect the Basement space. The area as it now stands requires additional wiring and installation of lights below the hung ceiling, as well as a considerable installation of ducts and outlets from the air conditioning trunks passing overhead. All these factors combine to more than double the cost of construction in the Basement space as compared with the Mezzanine area, although cost of equipment and communications remains approximately the same. (See Tab B)

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4. Because the estimate of costs for the construction of the Center in the Basement area now exceeds the amount of [REDACTED] to be provided by CIA and the Departments of the Army, Navy and Air Force, even without the inclusion of a margin for unforeseen contingencies, and because construction or equipment of the Center might be delayed while supplemental allocations were sought, it might be advisable to provide for a total construction and equipment allocation of \$[REDACTED] by requesting each of the four contributing agencies to provide [REDACTED] instead of [REDACTED] toward the construction and equipment fund. I understand that the Air Force plans to proceed with construction and equipment of the Center on a cost-reimbursable basis, billing CIA, Army and Navy for their pro rata shares upon completion. Since the bill for each is likely to exceed the [REDACTED] each is directed to provide by the version of the directive at Tab C, I would recommend that a revised directive (See Tab D) be adopted in its place. If construction costs are ultimately less than presently estimated, a portion of the individual allocations would in effect be returned to the contributors.

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[REDACTED]

Director  
National Indications Center